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Toyota Financial Services (TFS)

- ◆ Provides consumer retail, lease, dealer financing and insurance products

Key Business Metrics	FY10 (Fiscal year ended March 31, 2010)
Total assets	\$81.2 billion
Total debt outstanding	\$73.0 billion
Short-/long-term ratings	A-1+/AA (S&P) P-1/Aa2 (Moody's)



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Background

- ◆ Historically TFS has had
 - ◆ Strong liquidity position with continuous access to funding sources
 - ◆ Liquidity management based on simple static metrics and cash flow modeling
- ◆ Recently the financial crisis and Toyota recall events motivated TFS to
 - ◆ Leverage diversified funding strategy
 - ◆ Re-evaluate its liquidity risk management strategy



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Objective

- ◆ Create a liquidity risk infrastructure that enables swift, prudent and decisive liquidity risk management capability with
 - ◆ Empowered liquidity risk team
 - ◆ Robust scenario modeling
 - ◆ Comprehensive reporting tools
- ◆ Ensure continuous and uninterrupted access to liquidity under varying market scenarios



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Strategy and Execution

1. Established independent oversight of liquidity risk management
2. Determined best practice liquidity measurement and management
3. Collaborated cross-organizationally to leverage subject manager experts
4. Developed user-friendly dashboards with flexibility and sustainability
5. Established extensive contingency funding plans based on multi-scenario stress analyses



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Results

- ◆ Increased management engagement and confidence
 - ◆ Established cross organizational transparency and understanding
- ◆ Enhanced liquidity metrics and risk management practices shared globally
 - ◆ Accepted by Global ALCO and Enterprise Risk Committee as global liquidity risk management framework
- ◆ Enabled TFS Treasury to support record high market share throughout and post Toyota recall events of 2010



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